

1 A Correct.

2 Q When did you first come to represent Mr. John  
3 Dille?

4 A My recollection is that initially he was not  
5 active in the broadcast side of their business, but I would  
6 say in the late seventies or early eighties he became active  
7 and took a management role in the company.

8 Q What was your first contact with Mr. John Dille?

9 A Well, I don't remember. The first thing I can  
10 recall was maybe in the acquisitions of stations in  
11 Cincinnati, Ohio.

12 Q Do you remember roughly when that was?

13 A I'm going to say in the seventies; perhaps mid-  
14 seventies.

15 Q While you were still at Dal Lonus, can you  
16 estimate for us how many transactions you would have worked  
17 on, on behalf of John Dille?

18 A Probably three or four; maybe five.

19 Q Did there come a time when you became involved in  
20 a radio station of Pathfinder WRBR?

21 A I became involved with WRBR through a joint sales  
22 agreement.

23 Q I think I misspoke. It wasn't Pathfinder's radio  
24 station, but there was a Pathfinder involvement with WRBR?

25 A Correct.

1 Q When was that, approximately?

2 A Well, I know the JSA is dated December '92, and it  
3 would have been shortly before that, I think, that documents  
4 were exchanged leading up to the joint sales agreement.

5 Q Let's take a look at that joint sales agreement.  
6 That's in Mass Media Bureau Exhibit No. 1, page 14. That  
7 would be in the first volume.

8 A Okay, I have that.

9 Q Are you familiar with this document, Mr. Campbell?

10 A Yes.

11 Q Can you tell us how it came to your attention?

12 A My recollection is that John Quale, who  
13 represented Booth American Company, sent me a draft some  
14 time prior to December 18, when this dated. I don't know  
15 the exact date, but some time before then.

16 Q Can you tell us please just quickly what the  
17 agreement is embodied here in this joint sales agreement?

18 A I'll say the obvious. It speaks for itself. But  
19 generally it involved the WRBR, owned by Booth, and WLTA,  
20 owned by Pathfinder, combining their station sales and  
21 functions related to selling advertising time on the  
22 stations. They formed a -- under this agreement formed a  
23 venture, it's not a separate legal entity, but named a  
24 venture that took care of the sales for both advertising  
25 time on both stations.

1           Q     What was the Pathfinder station that participated  
2 in this joint venture agreement?

3           A     Then its called letters were WLTA. I believe they  
4 are now W -- maybe you can help me with it. I don't think  
5 they are LTA anymore.

6           Q     I believe it's WBYT now.

7           A     BYT, correct.

8           Q     Now, did you advise Pathfinder and WLTA for its  
9 part in this agreement?

10          A     Yes.

11          Q     Did you actually draft this agreement?

12          A     No. I think John Quale drafted it. My  
13 recollection is that I received the document from him. I  
14 read it and made, you know, suggestions, changes, things of  
15 that nature to it.

16          Q     You may have already said this, but who was John  
17 Quale representing?

18          A     Booth American Company.

19          Q     Let's look at a couple of specific provisions  
20 here. I'll refer you first to Section 2.5, which is on page  
21 15 of the exhibit.

22          A     Okay.

23          Q     Section 2.5(a) speaks about personnel.

24                Could you describe for us just briefly what was  
25 intended there?

1           A     I think each party was going to contribute  
2 employees who would carry out the sales and administrative  
3 functions. They were all going to be employees of  
4 Pathfinder, and under Pathfinder's supervision and  
5 discipline according to the document.

6           Q     Now, at the time from an FCC perspective did you  
7 see any problem with Pathfinder becoming the employer for  
8 the venture employees?

9           A     No. I don't -- you know, John Quale and I  
10 reviewed the document for each of our clients. I don't  
11 recall any specific concern with that provision from either  
12 of us that it presented a problem.

13          Q     Now, Section 2.5(a) also suggests that there will  
14 be common employees or venture employees related to sales  
15 and administrative supported related thereto.

16                     Can you remember specifically what employees were  
17 being talked about, what functions were being talked about  
18 in terms of combining?

19          A     My recollection is that each company contributed,  
20 you know, Booth contributed certain employees who, I guess,  
21 were doing sales for Booth for WRBR, Pathfinder contributed  
22 certain employees who were doing the same thing for BYT, and  
23 they became employees of the venture to perform the sales  
24 functions.

25                     I think Pathfinder also agreed to do some -- do

1 the accounting for the venture for the sale of time under  
2 the agreement.

3 Q In fact, you anticipated my next question. Let's  
4 look at Section 4. Pardon me. Section 5.

5 A Okay.

6 Q In Section 5.2, it's titled "Accounting Support."  
7 Could you describe for us briefly what was intended there,  
8 please?

9 A The language verbatim is "to provide all internal  
10 accounting services required in connection with the conduct  
11 of the venture's business."

12 I think that involved collecting money, disbursing  
13 funds, allocating it between the two companies as to who was  
14 entitled to what income.

15 Q Let me refer you also to Section 5.3 were some of  
16 the accounting support is spelled out more explicitly.

17 Do you know whether Pathfinder actually kept the  
18 books and records for the joint sales agreement venture?

19 A I believe they did.

20 Q From an FCC perspective, do you have any -- do you  
21 see that as an issue?

22 A No.

23 Q Let me refer you back to Section 4 now. This is  
24 entitled "Sharing of Revenues and Expenses."

25 Can you describe for us briefly, please, how the

1 revenues and expenses of the joint venture were to be  
2 allocated?

3 A The revenues in the first year, I believe, were  
4 split 50/50. Then in years -- this was a five-year term.  
5 In the second through the fifth year there is a formula  
6 based on station performance that accounted for the  
7 distribution of the revenues, and the expenses, I guess, in  
8 4.3, spells out the guidelines for allocating the expenses.  
9 Again, the effort was to try to attribute them to the proper  
10 station sales efforts.

11 Q From an FCC perspective, did you have any issues  
12 or problems with the way these revenues and expenses were  
13 going to be allocated?

14 A No.

15 Q Let me refer you to Section 4.4, which is entitled  
16 "Disbursements of Revenues and Allocation of Expenses."

17 Specifically, the last two sentences of that  
18 paragraph speak to the situation where Booth's expense,  
19 hypothetically at least, might exceed its revenues.

20 Can you tell us what was intended with those two  
21 phrase or two sentences?

22 A It provides that if the difference is \$5,000 or  
23 less in a given month, that there wouldn't be an offset or a  
24 payment back to one or the other to cover that. If expenses  
25 exceeded 5,000, or the expense differential exceeded 5,000,

1 then there would be a -- Booth would reimburse Pathfinder  
2 for the amount over \$5,000. I think that was there to sort  
3 of avoid de minimis payments back and forth to the extent  
4 they were 5,000 or under.

5 Q Do these last two sentences allow Booth to carry a  
6 small receivable?

7 A In effect, I think that's what it does, yes.

8 Q I think I misspoke.

9 A Well, it say --

10 Q Does it allow Pathfinder to carry a small  
11 receivable on behalf of Booth is what I meant to say?

12 A I think that's accurate.

13 Q Was that a problem from your perspective?

14 A No. Again, I reviewed it, reviewed it with  
15 Booth's counsel, and didn't have a problem with that  
16 provision.

17 Q Finally, let me refer you to Section 3, which is  
18 entitled "Management and Control of Venture."

19 In Section 3, there is reference to a management  
20 committee. Could you tell us what the intention was with  
21 respect to the management committee?

22 A I think it was set up so that -- to provide a  
23 mechanism for this venture to operate. It provides for each  
24 party, Booth and Pathfinder, to have two members of the  
25 management committee. I believe when you look at the vote

1 provisions, either one has, in effect, negative control. It  
2 requires unanimous consent for certain actions to be taken  
3 by the management committee.

4 Q At the time this document was drafted was it your  
5 opinion that this management committee was legally required  
6 from an FCC perspective?

7 A I don't think it was there for that purpose. I  
8 think it was there as a business point between the parties  
9 to have a mechanism that -- a mechanism to operate under the  
10 venture. I don't think that particular style or provision  
11 was necessary, no.

12 Q Do you know whether the parties ever formed a  
13 management committee and operated the joint venture pursuant  
14 to a management committee's direction?

15 A No, I don't.

16 Q At the time that you reviewed the  
17 Booth/Pathfinder's JSA, had you ever seen a joint sales  
18 agreement before?

19 A I think this was the first one that I had looked  
20 at, to my recollection.

21 Q Since then --

22 A I had done -- I'm sorry. I had done some time  
23 brokerage agreements and some local marketing agreements,  
24 one and the same really, before, but I think this was the  
25 first joint sales agreement I may have seen.

1 Q Since that time have you had experience  
2 negotiating other sales agreements?

3 A Yes.

4 Q How many would you say?

5 A I can think of two other clients that have them  
6 specifically, and there may be a couple of others; maybe  
7 five - six.

8 Q Have you had occasion to review other joint sales  
9 agreements?

10 A Yes. Sometimes a client might try to get a copy  
11 of one or take a look at one that a competitor might have,  
12 but normally they're not -- you know, they're not filed at  
13 the Commission so you wouldn't see them there. But I think  
14 on occasion I have looked at other joint sales agreements  
15 for a client who is not a party to it.

16 Q In total, how many joint sales agreements would  
17 you say you've taken a look at?

18 A Oh, maybe -- maybe 10 different versions of it;  
19 something in that range, I would think.

20 Q Now, did there come a time when you became  
21 involved in Pathfinder's attempt to purchase WRBR?

22 A Yes.

23 Q When was that, approximately?

24 A I believe that was in the spring of 1993.

25 Q Could you just describe generally for us what your

1 involvement in the attempt was?

2 A Again, my recollection is that John Quale -- that  
3 I became aware that Booth was interested in selling WRBR;  
4 that Pathfinder was interested in acquiring it; and that a  
5 draft asset purchase agreement was circulated to me, I  
6 believe, from John Quale.

7 Q What happened next?

8 A The typical back and forth when you're negotiating  
9 an agreement. I think I received a version of it. I made  
10 comments back, and my recollection is that I sent those up  
11 to Bob Watson with, you know, here are suggested changes to  
12 the agreement, things that ought to be modified.

13 Q Did Pathfinder in fact purchase WRBR?

14 A No, they didn't.

15 Q What happened?

16 A Because Pathfinder -- because, I believe it's the  
17 one millivolt contour of WRBR encompassed Elkart, Indiana,  
18 where not Pathfinder, but a company controlled by John Dille  
19 or the Dille family had a newspaper, daily newspaper, and  
20 under the FCC rules Pathfinder could not acquire WRBR  
21 without a waiver.

22 Q When it was determined that Pathfinder would need  
23 a waiver to acquire WRBR, did that end the deal right then  
24 and there or did something else happen?

25 A I don't think it ended the deal right then and

1     there. I believe John Quale on behalf of Booth, and perhaps  
2     Jerry Hines in his office, and I were sort of reaching the  
3     same conclusion, we could all look at the same documents,  
4     that we had this rule problem. I believe I talked to Larry  
5     Eads at the FCC about that, or someone from his office may  
6     have been there with me. They may have independently  
7     contacted them. "Them" being the FCC.

8             The upshot of that was that Mr. Eads was not  
9     particularly positive that a waiver would be granted, but he  
10    was fairly confident that it would be a long time obtaining  
11    the waiver.

12            So when that became knowledge, that didn't work  
13    with Booth's plans. He did want to dispose of the station  
14    fairly quickly.

15           Q     Before --

16           JUDGE CHACHKIN: Is this a good time for a break?

17           MR. GUZMAN: Sure.

18           JUDGE CHACHKIN: Let's take a 10-minute break.

19           (Whereupon, a recess was taken.)

20           JUDGE CHACHKIN: Let's go back on the record.

21           BY MR. GUZMAN:

22           Q     Mr. Campbell, before we broke you mentioned two  
23    people and I just want to follow up on them to make sure  
24    we're clear for the record.

25           John Quale was Booth's attorney?

1 A Correct.

2 Q That is, in 1992 - 1993 time frame?

3 A Correct.

4 Q Do you know where he worked at that point?

5 A He was with Wiley, Ryan and Fielding now.

6 Q And you also mentioned Larry Eads as a Commission  
7 employee. What was his position at the time?

8 A I believe he was chief of the video services  
9 division.

10 Q Video or audio?

11 A Did I say -- audio.

12 Q He was chief to the audio services division in  
13 1992 - 1993 time frame?

14 A That's my recollection.

15 Q Thank you.

16 Now, we were discussing the Pathfinder attempt to  
17 purchase WRBR from Booth American.

18 Roughly, when did it become clear that that  
19 transaction wasn't going to go forward as planned?

20 A Some time in the summer of '93. Either June -  
21 July. I don't know a precise date, but in that time frame.

22 Q Before the deal got called off, how close were the  
23 two parties to actually completing the transaction?

24 A I don't recall how many drafts of the purchase  
25 agreement had been exchanged, but I think a couple. I think

1 I had sent to, I believe, Bob Watson some suggested changes  
2 that -- none of which were deal breakers, in my mind. So I  
3 think the documentation and the negotiation had gone pretty  
4 far.

5 Q You referred to drafts. What document was being  
6 drafted?

7 A Oh, I'm talking about the asset purchase  
8 agreement, perhaps an escrow agreement. They usually run  
9 together.

10 Q And had the basic terms of the agreement been  
11 reached?

12 A I believe they had, yes.

13 Q Purchase price?

14 A Purchase price, terms, I do believe those were  
15 agreed to then.

16 Q How about seller financing, do you know whether  
17 selling financing had been resolved at that point?

18 A I think it had, but I would have to look at the  
19 documents to be sure, but my recollection is that they had.

20 Q What happened after it became clear that  
21 Pathfinder wasn't going to purchase WRBR from Booth?

22 A At some point, and I believe we're now probably in  
23 August of '93, John Dille discussed with me the possibility  
24 if they couldn't acquire it, you know, could his children  
25 have minority interests in a company that would acquire it,

1 and have a single majority shareholder who would own the  
2 controlling interest of the station.

3 And I discussed that with John Quale, I believe,  
4 and also with Larry Eads and ran that example by them to see  
5 if that would be acceptable.

6 Q Let me refer you to another document. This is  
7 also Mass Media Bureau Exhibit No. 1, page 32.

8 Do you have that, Mr. Campbell?

9 A Yes. It's a memorandum from me to John Quale  
10 dated August 17, '93.

11 Q And the memo says that it will outline the  
12 parameters for the proposal of the acquisition of WRBR by  
13 NEWCO.

14 Could you tell us what the plan here was?

15 A Well, I think NEWCO, you know, was just that. It  
16 was a name. The idea, again, was that there would be a  
17 single majority shareholder. The FCC has a rules that says  
18 if you have a single majority shareholder, minority  
19 shareholders don't have attributable interest in that  
20 entity, and that was the proposal that I discussed with  
21 Quale and with Larry Eads, whether that arrangement would be  
22 acceptable with the minority shareholders being John Dille's  
23 adult children.

24 Q What was Larry Eads response to the proposal that  
25 John Dille's children be minority owners in this company?

1           A     He didn't have a problem with that. He said that  
2 would be consistent with the rules.

3           Q     How did Booth feel about this?

4           A     It was acceptable to them as far as I'm aware.  
5 You know, that moved forward as the way the station would  
6 eventually be acquired.

7           Q     Now, in the third paragraph of this memorandum,  
8 there is a reference to a majority shareholder who will be  
9 an experienced radio broadcast with no interest in the South  
10 Bend or Elkart markets.

11                     Who were you referring to there?

12           A     Eventually that's referring to David Hicks. When  
13 I wrote that I don't know if I specifically knew the name  
14 David Hicks or just a description of him being an  
15 experienced broadcaster and not in the market.

16           Q     Now, as of the date of this memo, August 17, '93,  
17 do you know where this plan stood? Was it a proposal? Had  
18 it been executed?

19           A     I don't think it had been executed. I think it  
20 was a discussion or my knowledge of it was what John Dille  
21 had told me that this was a plan or an approach that he had  
22 talked to Booth about, and that both parties were willing to  
23 move forward with the knowledge that it won't present an  
24 issue for the FCC.

25           Q     In the final paragraph of this memo, you refer to

1 the "Commission's cross-interest policy."

2 A Right.

3 Q Could you tell us what you were referring to  
4 there, please?

5 A I believe that would have referred to John  
6 Dille's, the newspaper connection, again, between -- that  
7 John had in Truth Publishing Company, I believe was the  
8 entity that owned the newspaper, and the radio stations, the  
9 fact that the children wouldn't have attributable interests  
10 in -- don't have attributable interests in Pathfinder or  
11 Truth is my recollection of it. Whether any of that  
12 scenario raised a problem under the lower term "cross-  
13 interest policy." Something that's not prohibited by rules,  
14 but would be something the FCC might be interested in.

15 Q Well, was it your opinion at the time that the  
16 cross-interest policy applied to John Dille's children with  
17 respect to this transaction?

18 A No, I didn't think it is.

19 Q Why was that?

20 A Because they didn't -- they didn't have  
21 attributable interest in any of the entities. They wouldn't  
22 have an attributable interests in RBR, they didn't have  
23 attributable interests in the newspaper, and they didn't, I  
24 don't think they had attributable interests in Pathfinder  
25 either.

1           Q     Okay. Now, in the last sentence of the last  
2 paragraph it then says, "Nevertheless, I think that the  
3 assignment application should be candid about Dille III  
4 ownership interests and reveal the existing JOA between WRBR  
5 and WLTA."

6                     Why did you give this advice?

7           A     Well, I guess, generally, when you file an  
8 application you want to have it as complete as you can. Put  
9 it in front of the FCC and the information would be there.  
10 That's generally the way I prepared them and filed them,  
11 and, you know, I wanted to be sure that the staff was aware  
12 of John Dille's ownership interest, even though he wasn't a  
13 party to this, and also the fact that there was the JOA or  
14 JSA, and that it would be assumed by WRBR.

15           Q     Were you at all worried that in the event that  
16 this transaction went forward and this information was  
17 actually put before the Commission, that disclosure that  
18 John Dille III's ownership interests and disclosure about  
19 the existing JOA between WRBR and WLTA might cause delay in  
20 terms of the processing of the application?

21           A     No, I didn't think that would cause any delay, and  
22 that certainly I think the facts that I talked to Larry Eads  
23 about.

24           Q     In your opinion, was it appropriate for Dave Hicks  
25 to be a majority member in this proposed new company and

1 John Dille's children to be minority members in the same  
2 company?

3 MR. SHOOK: Objection. I don't believe -- I  
4 believe testimony at this point reflects that Mr. Campbell  
5 did not know who the person was going to be.

6 JUDGE CHACHKIN: Sustained.

7 MR. GUZMAN: Let me rephrase.

8 BY MR. GUZMAN:

9 Q In your opinion, was it appropriate for there to  
10 be an experienced broadcaster as a majority member in this  
11 proposed new company and for John Dille's children to be  
12 minority members in the same company?

13 A Yes, I didn't see a problem with that.

14 Q Did anybody raise any issues with respect to this  
15 proposed structure?

16 A Not that I recall.

17 Q Is the structure of the proposed company that's  
18 outlined in this August 17 memo significantly different from  
19 the actual structure of Hicks Broadcasting of Indiana?

20 A No. I would say that at the time I wrote this I  
21 think I was using terms referencing a corporation. It  
22 turned out to be a limited liability company, but it doesn't  
23 change anything.

24 Q When did you begin to represent -- well, maybe I  
25 should state it differently.

1                   Did there come a time when you began to represent  
2   Hicks Broadcasting of Indiana with respect to the WRBR  
3   purchase?

4           A     Yes.

5           Q     When was that, approximately?

6           A     Well, we filed the application in December of '93,  
7   and some time in I would say the fall I began to get new  
8   drafts of the asset purchase agreement, and had been, I  
9   think by that time, alerted or given the name of Dave Hicks  
10   by John Dille or Bob Watson as the prospective buyer, the  
11   majority shareholder, that is. So it was some time within  
12   that time frame.

13          Q     How was it that you came to represent WRBR or  
14   Hicks Broadcasting?

15          A     I think that John Dille asked me if I could  
16   represent him, and I believe introduced me to Dave Hicks,  
17   and I spoke to him about it at that point. I think when I  
18   talked to Dave, he knew who I was, and I assume he had some  
19   information from John about me.

20          Q     Let me refer you to another document. This is  
21   Mass Media Bureau Exhibit No. 49. It would be in Volume 2.

22          A     I have that.

23          Q     Do you recognize this letter, Mr. Campbell?

24          A     Yes, it's a letter of representation that I sent  
25   to David Hicks.

1           Q     Is this the kind of letter that you would  
2 customarily prepare at the commencement of a new  
3 representation?

4           A     Yes.

5           Q     Now, the date on this memo is December 17, 1993.  
6 Do you know whether that reflects when you actually began  
7 representing Hicks Broadcasting of Indiana?

8           A     I think I was doing work representing him at some  
9 point earlier than that when we were -- when drafts of the  
10 purchase agreement were being recirculated, I guess. I  
11 think I got around to writing the letter to him on December  
12 17, which, unfortunately, is not too uncommon for me.  
13 Sometimes I do work before the letter itself gets out there.

14          Q     Do you have any sense for how much work you  
15 actually did for Hicks Broadcasting of Indiana before you  
16 wrote this memo?

17          A     I don't think too much. I think I had looked at  
18 the purchase agreement back in the spring of '93, and I  
19 think the versions that then came, then there was a period  
20 of time where revisions didn't come out, and I would say  
21 October - November revisions of the purchase agreement came  
22 out with Hicks plugged into it, and I think I looked at  
23 those, compared them to the suggested changes I had made  
24 earlier, and confirmed that what I thought ought to be added  
25 had been added.

1           So I don't think I did too much. I don't know if  
2 I did any preliminary work on the assignment application,  
3 although I might have gathered some information preliminary  
4 to it.

5           I mean, I knew that Dave had a local attorney  
6 working for him too on that.

7           Q     Do you remember who that was?

8           A     Well, I know it's Rick Brown. I don't know if I  
9 knew his name at the time or not.

10          Q     Now, for the time that you spent in connection  
11 with WRBR prior to the time that you sent off this  
12 representation letter in December, did you bill for that  
13 time?

14          A     I don't think I billed Dave Hicks for that. I  
15 think at that point I just had been billing Pathfinder, one  
16 of their accounts for it, and I think I just continued to  
17 bill that until we got to the more formal relationship here,  
18 reflected here; probably ease and laziness perhaps.

19          Q     I was just going to ask why did you continue doing  
20 that?

21          A     As usual, these things are moving along at a  
22 fairly quick pace, and I decided that I could just handle it  
23 that way, and that Bob Watson would know what to do with any  
24 bills that came in if they should be allocated to Hicks as  
25 part of this versus work that was done earlier for

1 Pathfinder.

2 Q Do you know who actually paid for you time prior  
3 to December but after the time you stopped working for  
4 Pathfinder?

5 A No.

6 Q Have any reason to think that Pathfinder paid  
7 those bills?

8 A No, I don't.

9 Q Let's step back. Could you just generally  
10 describe for us what it was that you were doing on behalf of  
11 Hicks Broadcasting in the fall of 1992?

12 A Again, I think that the asset purchase agreement,  
13 you know, reappeared. My recollection is when I saw that it  
14 had been converted over to either David Hicks and a company  
15 to be named or Hicks Broadcasting. I don't recall what the  
16 name of the entity was, but I was looking at, I believe, the  
17 typical purchase agreements at that time.

18 I may have done some work, preliminary again, for  
19 the asset -- I mean, for the assignment application.

20 Q Did Hicks Broadcasting and Booth actually  
21 consummate the asset purchase agreement?

22 A Yes.

23 Q Do you remember roughly when that was?

24 A I think it's the end of -- April 1, March 30,  
25 1994, is when they closed.

1           Q     Okay. Now, I'm referring to the signing of the  
2     asset purchase agreement.

3           A     I'd have to -- sitting here right now I can't tell  
4     you when the signed that.

5           Q     Does the fall of 1993 sound approximately right to  
6     you?

7           A     Yes. I mean, we filed it again in December,  
8     whatever the day is, 22, I believe, and it probably would --  
9     I think it was signed with 30 days of that date certainly.

10          Q     Well, let's talk about that. What was filed on  
11     December 22nd?

12          A     The FCC assignment application.

13          Q     Did you have a role in the filing of that  
14     application?

15          A     Yes. I think I transmitted it to the FCC and  
16     worked in the preparation of the buyer's portion of it.

17          Q     Who was involved in preparing the assignment  
18     application?

19          A     David Hicks, me, information dealing with the  
20     interests of the Dille children, and information on  
21     Pathfinder Communications I believe I ran by Bob Watson and  
22     got his input on that. He normally maintained those  
23     records. I think those were the only persons involved with  
24     it.

25                     My recollection is that Dave sent me a penned in

1 draft of the form, and that I took that, typed it into a  
2 form, prepared the first draft of the exhibits that went  
3 with it, sent it back to Dave, probably talked to him at  
4 that time, and I believe I talked to Bob Watson or sent to  
5 Bob Watson the portions that we -- you know, the exhibits  
6 and the portion that said anything about the children.

7 Q What were you expecting Bob Watson would do with  
8 respect to the assignment application?

9 A Well, you know, things like -- I believe in there  
10 we recite, you know, that Alec Dille, for example, owns X  
11 shares or X percent of Pathfinder, and he was going to  
12 confirm that for me; things like their home address; all  
13 their relationships with Pathfinder and Pathfinder  
14 companies. I wanted to be sure that was what their books  
15 showed.

16 Q Well, let me refer you to another exhibit. This  
17 is Mass Media Bureau Exhibit No. 37.

18 A Is that the --

19 Q Do you have that, Mr. Campbell?

20 A From Dave Hicks to me, Crystal Radio Group, Inc.  
21 letterhead?

22 Q Yes.

23 A Yes, I have that.

24 Q Okay. Then if you turn to the next page, can you  
25 tell us what that document is?

1           A     That's first draft of FCC Form 314, the assignment  
2     application, and I believe that's handwritten by Dave Hicks.

3           Q     Now, did you review this draft application when it  
4     came to your attention?

5           A     Yes.

6           Q     What were you looking for?

7           A     You know, completeness; did it answer all the  
8     questions. I notice on page 5 of that, for example, there  
9     is a marginal note that references need to check operating  
10    agreement with Dille, and I think I probably called Dave and  
11    asked him what that was referring to. And then put it into  
12    or had it typed by somebody in our office, and then sent it  
13    back out to Dave to look at to see if it was accurate. And  
14    as I say, I prepared the exhibits that accompanied the  
15    application.

16          Q     Now, you mentioned this handwritten note "need to  
17    check operating agreement with Dille."

18                   What did that refer to?

19          A     I think that that was referring to the joint  
20    operating agreement, joint sales agreement that was required  
21    to be assumed by Hicks under the agreement, and we -- so I  
22    think that's what that was referencing.

23          Q     Is it your understanding at the time of the  
24    application that Hicks was going to be stepping into Booth's  
25    shoes, so to speak, with respect to the joint sales

1 agreement?

2 A Yeah, I -- I knew that. I think the operating  
3 agreement required that whoever bought either company had to  
4 assume that, and I was aware that it was, and I think the  
5 exhibit that I drafted up represented that it would be,  
6 prescribed it or referenced it anyway.

7 Q Let me refer you to page 8 of the draft assignment  
8 application, and specifically question 15 on page 8.

9 A Right.

10 Q Do you see that?

11 A Yes, sir.

12 Q The question is answered in the negative.

13 Would you have any reason at that time to think  
14 that that answer was inaccurate?

15 A No.

16 Q Did you ask Dave Hicks or anyone else about the  
17 answer to question 15?

18 A I don't think I said to Dave, "Dave, the answer,"  
19 you know, I didn't go through this with Dave and said, "You  
20 know, you answered 13(a) no. Is that right? Or you answered  
21 15 no. Is that right?"

22 If it was answered, and Dave was an experienced  
23 broadcaster, I was comfortable that that was the correct  
24 answer. I didn't have any reason to think it wasn't.

25 Q Did you go through and run question 15 by Bob

1     Watson?

2           A     I don't think so. I think what I said to Bob was  
3     there would be on the form -- I think the tables back on  
4     page 4 of the form, I believe we did include, if we didn't  
5     put the children on the form itself, we had an exhibit that  
6     again explained who they were, what their relationship was  
7     and put that -- that's the material, I think, I sent back to  
8     Bob to review and confirm for me.

9           Q     Is there any doubt about that in your mind? You  
10    say you think.

11          A     No.

12          Q     Okay. How about John Dille, did you consult with  
13    John Dille with respect to question 15?

14          A     No.

15          Q     Now, we've been looking at the draft assignment  
16    application. I gather an original was filed?

17          A     Yes.

18          Q     Rather, a final copy was filed?

19          A     Yes.

20          Q     After that final copy got filed, what happened  
21    next in the process with respect to WRBR?

22          A     It went through the -- you know, it got accepted  
23    for filing. It was processed by the staff people. I  
24    received a call from someone one the staff asking for  
25    amendments, an amendment covering three items, and proceeded

1 to take care of that.

2 Q When was that approximately?

3 A I think it was on -- well, there's a letter of  
4 February 17th from me to Dave Hicks, and I'm confident that  
5 was the day I got the call from somebody on the staff asking  
6 for pieces of information.

7 I sent that letter to Dave Hicks. I intended that  
8 letter to Bob Watson. I prepared for Dave covering  
9 amendments that, you know, didn't go to the substance of  
10 what they were looking for necessarily, but said here is --  
11 please amend the application and include the following.

12 I then prepared an amendment, that they wanted  
13 information from John Dille and his father, and I prepared  
14 an amendment for the two of them to both sign and sent that  
15 out of Bob and John.

16 Q Now, let's go back just a minute.

17 When you got a request from the staff for an  
18 amendment covering three items. Do you remember who it was  
19 that you spoke with?

20 A No. I've said before that I think it was a woman  
21 that contacted me, but I don't know her name. I noticed  
22 when the amendment came back it was -- I didn't transmit it  
23 to the FCC. One of the -- the only associate we had in the  
24 office did. For whatever reason I wasn't around. My  
25 practice is when I do send an amendment like that and I get

1 a call from someone, I would show them as a cc on there  
2 because, you know, a week later I would still remember who  
3 it was. But since I didn't file that, I didn't do that now  
4 I don't know who it was specifically other than I think it  
5 was a woman.

6 Q Do you recall whether the staff person who  
7 contacted you explained why the amendment was necessary?

8 A I don't think they said why. They told me what  
9 they wanted. They wanted a copy of the noncompete  
10 agreement. They wanted a statement that John and his father  
11 were not going to be involved in the day-to-day operation of  
12 the station, and that John and his father weren't going to  
13 finance the acquisition of the station by Hicks  
14 Broadcasting, three items.

15 Q Once you got the request, I believe you said you  
16 prepared a letter to Dave Hicks?

17 A Right.

18 Q How did you contact John Dille with this  
19 information?

20 A I intended to send a copy of another -- fax of  
21 that letter with the amendment that I had prepared off to,  
22 probably to Bob or just to John or maybe to both of them,  
23 you know, when I sent it out to them.

24 Q Did you prepare a statement for John's signature?

25 A Yes, I prepared an amendment for him for -- my

1 recollection is that when I first prepared -- because the  
2 staff had said they wanted John and his father, who I call  
3 Jack Dille, both to make these commitments. The amendment  
4 that I prepared had a signature line for both John and his  
5 father.

6 I talked to John after we had sent that out there  
7 because his father then, I believe, was living down in  
8 Florida and was in poor health, and John didn't want to, you  
9 know, bother him with getting his signature or whatever. So  
10 he asked me if he could sign for the two of them. I said,  
11 "Yeah, I think you can. I don't see a problem with that."

12 I may have asked -- called somebody at the  
13 Commission to confirm that, but probably didn't. I think I  
14 just prepared it and revised it so that there was just the  
15 one signature on it and sent that back out to John.

16 Q Did you make any other revisions to this amendment  
17 or statement before John Dille signed it?

18 A No. Not that I recall. No, sir.

19 Q So the only change was the removal of the  
20 signature line for Mr. Jack Dille?

21 A Right. Maybe the wording here, you know, maybe it  
22 said "we do," but now -- I mean, however the wording got  
23 changed so it was clear that John was the only one signing  
24 and he was saying this for both him and his father. You  
25 know, that change would have been made to that.

1           Q     Other than this change, did you have any other  
2 discussions with Mr. Dille about this statement?

3           A     Not that I recall. No, sir.

4           Q     Was the staff's request for an amendment unusual  
5 at all in your experience?

6           A     I mean, that's -- that's the normal processing  
7 sequence. The application gets accepted for filing, which I  
8 think is fairly mechanical. There is no substantive review.  
9 There is a form signed, et cetera. And toward the end of  
10 that 30-day waiting period, normally by then it's been  
11 reviewed by an analyst over there. And if they have any  
12 questions, they call, usually call, and ask you for an  
13 amendment. You know, I would say at least 50 percent of the  
14 time you get it, you get requests for amendments. I'm  
15 sorry. And sometimes they will also call you and tell you  
16 that they've asked for an amendment from, you know, the  
17 seller's side in this case. But that's fairly common,  
18 fairly routine.

19          Q     Now, when you drafted this statement for Mr.  
20 Dille's signature, did you intend for the statement to be  
21 fully responsive to the staff's inquiry?

22          A     Yes.

23          Q     Do you believe that it was?

24          A     Yes.

25          Q     Let's take a look at one other document. This is

1 Mass Media Bureau Exhibit No. 1, page 41.

2 A All right, I have that.

3 Q Okay. What's this letter, Mr. Campbell?

4 A I think that was the -- after I got the call from  
5 the staff person, that was letter I wrote to Dave saying  
6 what we needed to amend. I think I said three pieces of  
7 information. I think the noncompetition agreement might  
8 have ben filed the seller because it would normally be part  
9 of the asset purchase agreement, which is an exhibit that  
10 the seller files with his portion of the assignment  
11 application.

12 Q In the third paragraph it describes the request  
13 from the staff, and it says that they wanted a statement  
14 from John Dille and his father that they will not be  
15 involved in the day-to-day operation of RBR and will not  
16 participate in the financing of the purchase of the  
17 statement for John's children.

18 That's a little different than the statement that  
19 John actually signed. Can you explain why this letter is  
20 different from the statement?

21 A Well, this -- as I say, David was not going to be  
22 involved in the substantive response as far as what John and  
23 his father were going to do, although he has the party would  
24 have to file the covering amendment submitting it. So I  
25 think this was a quick letter to him just alerting him to

1     what the -- in general, what the staff was looking for. And  
2     then when I prepared the detailed amendment form for John to  
3     sign, that's where I tried to be more accurate and aptly  
4     what the staff had asked for and was.

5           Q     Well, do you have recollection that the staff  
6     asked for a statement from John Dille that he would not  
7     participate in the financing of the purchase of the station  
8     for the children?

9           A     No, they asked for a statement that he would not  
10    participate or guarantee the purchase of the station by  
11    Hicks Broadcasting.

12          Q     Did you discuss with John at this time whether he  
13    was or could finance his children for participation in WRBR?

14          A     No, I did not.

15          Q     Now, at the time that you prepared this letter and  
16    the statement, I take it you were aware that Hicks  
17    Broadcasting of Indiana was going to assume the joint sales  
18    agreement from Booth?

19          A     Yes.

20          Q     Okay.

21          A     I think that's reflected in the assignment  
22    application.

23          Q     Okay. Well, I notice in the statement that Mr.  
24    Dille signed there is no reference to Pathfinder being  
25    involved in the day-to-day operations of the station.

1 Can you tell us why that is?

2 A I'm confident that the staff didn't ask for  
3 anything with respect to Pathfinder. I think when they --  
4 based on my experience the use of the words, you know, "be  
5 involved in the day-to-day operation" is a concept that  
6 unique for individuals not entities or corporations. My  
7 experience, that goes back to comparative hearing days when  
8 we were getting comparative credit for someone's integration  
9 proposal which usually was worded in terms of the day-to-day  
10 operation of the station.

11 Also in the -- in terms of Pathfinder, you know,  
12 when you analyze it they're not -- Pathfinder doesn't have  
13 any interest in the radio properties. John and his father  
14 do, or the newspaper, I mean. So that there wasn't a cross-  
15 ownership problem between Pathfinder. It was really between  
16 individuals, John who had the attributable interest in the  
17 newspaper, and then they're in the newspaper.

18 I think, in answer to your question though that  
19 started off, the staff didn't ask me to address Pathfinder  
20 and I didn't. I didn't. You know, it's not usual if you  
21 file something if it's not what they're looking for, they  
22 will call you back and ask for a further amendment. I've  
23 certain had that happen, and that didn't in this case.

24 Q Let me refer you to another document. This is  
25 Mass Media Bureau Exhibit No. 48. That's in the second

1 volume.

2 A I've got it.

3 Q There are two pages in this exhibit. Do you  
4 recognize them?

5 A Yes.

6 Q Tell us about these two pages. Let's start with  
7 the first page.

8 A That's the letter from Bob Watson to me dated  
9 March 18. He sent me that letter.

10 Q Okay.

11 A And I received it, and the attachment to it is a  
12 memorandum dated March 4, prepared by Bob Watson,  
13 summarizing and confirming a conversation he and I had on  
14 March 4 concerning the points that are spelled out in there:  
15 the operation under the joint sales agreement between  
16 Pathfinder and Hicks after the closing.

17 Q Now, do you remember that conversation that you  
18 had with Bob Watson?

19 A Yes. And I think this memorandum is an accurate  
20 summary. He sent it to me to see if it was, if I had any  
21 disagreement with this, and I didn't.

22 Q Well, I was just going to ask you that.

23 Why was it that this whole conversation was  
24 memorialized in writing? Do you know?

25 A I think Bob was just trying to be complete and

1 make sure we understood exactly what it was how things were  
2 going to be operated. I think that's not untypical of  
3 Bob's -- he's a thorough person.

4 Q Well, let me refer you to the first sentence of  
5 the memo to file. It says essentially that you and Bob  
6 spoke regarding Hicks Broadcasting of Indiana, and that you  
7 spoke about the extent to which the accounting department of  
8 Pathfinder Communications could do the accounting service  
9 for Hicks.

10 Do you remember discussing that?

11 A Yes.

12 Q Did you render advice with respect to that  
13 arrangement?

14 A I certainly told Bob that I didn't see a problem  
15 with the services that the accounting department was going  
16 to provide. I think a lot of what's in here and in that  
17 concept flows out of the joint sales agreement where similar  
18 provisions are found between Pathfinder and Booth.

19 Q Well, let's look at some of these items. I'll  
20 refer you first to item number one where it talks about a  
21 written agreement regarding the accounting services to be  
22 performed.

23 Was that advice that you gave to Mr. Watson at  
24 this time?

25 A I think it probably was. I told him that it would

1 be good to have a written agreement so there is no dispute  
2 about -- doubt about it, and they did make a charge for what  
3 those services were going to be, and I know that the  
4 document exists now.

5 Q What did you have in mind or what did you  
6 understand the parties had in mind is probably better  
7 phrased with respect to the accounting services that  
8 Pathfinder was going to perform for Hicks?

9 A I believe the funds from the sale at the time the  
10 revenues were going to come into a common account. They  
11 would be allocated between the two stations. Disbursements  
12 would be made out of that account. They have a internal  
13 policy where I think they have a common account for more  
14 than just these two stations, but for other ones, and they  
15 have means and mechanisms set up to allocate revenues and  
16 expenses so they go to the correct place. Checks were going  
17 to be written out of that account.

18 I think they were going to prepare financial  
19 statement, budgets that were reviewed by Hicks. I think all  
20 of those things were involved in the kind of services;  
21 perhaps more.

22 Q Did you see a problem from an FCC perspective with  
23 respect to Pathfinder providing those accounting services  
24 you've just described for Hicks?

25 A No, I didn't.

1           Again, I think it's not dissimilar from what was  
2       being done under the Booth joint sales agreements.

3           Q     Let me refer you to item number two. This  
4       concerns the sharing of Steve Kline as general manager, 50  
5       percent for WLTA and 50 percent for WRBR.

6           A     Yes.

7           Q     Were you consulted about this arrangement?

8           A     Yes.

9           Q     And what was the advice that you gave with respect  
10      to this sharing arrangement?

11          A     That if each company was going to hire Steve, who  
12      I believe at the time was a Pathfinder employee and was in  
13      this dual role under the joint sales agreement, that Hicks  
14      Broadcasting would likewise hire him as the general manager  
15      of WRBR, and that the policies and issues with respect to  
16      the Pathfinder station were to be decided by Pathfinder  
17      personnel, and that issues involving RBR were to be decided  
18      by -- referred to, decided by Dave Hicks. And then I felt  
19      with that understanding and arrangement, that I did not see  
20      a problem with that.

21          Q     Let me refer you to the third item where it says  
22      that John Dille will be writing a memo to Steve Kline  
23      regarding the reporting relationships relative to the two  
24      stations.

25          Whose idea was that?

1           A     I'm pretty sure that would have been mind because,  
2     again, you know, it's good to reenforce it in writing, I  
3     think, this is the way it's to operate. And I believe -- I  
4     believe John wrote the memorandum. I don't believe I wrote  
5     it. I did look at it after it was prepared, but there was a  
6     memorandum prepared by John.

7           Q     Item number four discusses how payments are going  
8     to be made by Pathfinder on behalf of Hicks.

9           A     Correct.

10          Q     Can you tell us what was discussed with respect to  
11     item four?

12          A     My approach here was that the checks that were  
13     going to be written out of the common account, you know, a  
14     stripe made or a mechanical type action. I think what's  
15     critical is whether Dave Hicks is the controlling  
16     shareholder or member of Hicks Broadcasting has the right to  
17     say don't pay that, question a payment, tell the accounting  
18     department to pay a particular one, and he does it with  
19     respect to his station, and Pathfinder does it with respect  
20     to their station. And I think that kept the control where  
21     it needed to be kept, and therefore I didn't see a problem  
22     with that arrangement.

23          Q     So as of the time of this memo were you aware that  
24     Pathfinder was actually physically going to pay bills on  
25     behalf of Hicks Broadcasting?

1           A     Yes, because one of the other items that we agreed  
2     in here was that they would -- you know, the check, I guess,  
3     would come off of an automatic check writer or something  
4     that wouldn't show Hicks Broadcasting, and they created a  
5     stamp to just make it clear to the outside world that this  
6     was a Hicks Broadcasting, not a Pathfinder payment.

7           Q     As of the time of this memo were you aware that  
8     Hicks Broadcasting wasn't even going to maintain its own  
9     bank account?

10          A     Yeah, I believe I was. And I -- again, I  
11     didn't -- you know, to me the issue, the Commission -- I'm  
12     well aware that they say in control you look at personnel  
13     programming and finances, and I think the critical thing,  
14     okay, who could control, not who wrote the individual check,  
15     but who actually could control the finances in the sense of  
16     Dave Hicks could decide, yeah, that should be paid or no,  
17     that shouldn't be paid, or question or bill or whatever.  
18     And I think that mechanism was maintained, and I think  
19     that's what is critical from an FCC standpoint.

20          Q     Let's look at item six. There it says "No officer  
21     of Pathfinder should be an officer of Hicks," and there is  
22     some 'handwriting above that.

23                 Do you recognize that handwriting?

24          A     Yeah, that's my handwriting. There is also in  
25     number five above that and "s" has been added to Hicks, that

1 was my handwriting.

2 Q Oh, yeah, I see that.

3 Why did you make these changes?

4 A Because I think it needed to be -- an officer or a  
5 director have attributable interests, and we didn't want  
6 any, I didn't want anyone having attributable interests in  
7 either company, so I added the words "director," I added  
8 "Truth" in addition to "Pathfinder."

9 Q Other than these changes that you made here, were  
10 there any other items in this memo that appeared to you not  
11 to accurately reflect the conversation you and Mr. Watson  
12 had had?

13 A I don't recall anything, no. I think it's  
14 accurate.

15 Q Now, let's finally look at item number seven.  
16 There are a couple of things discussed here. First, it says  
17 that Hicks has adopted the same employee benefits as  
18 Pathfinder.

19 Did you have any problem with that from an FCC  
20 perspective?

21 A No.

22 Q And then in that, in essence, Pathfinder is going  
23 to administer a payroll on behalf of Hicks Broadcasting  
24 employees.

25 Was there any issue there from your perspective